

Sugar & Gur Domestic & International Fundamentals**Recent Update:**

The prices across India showed steady to weak trend today due to moderate demand. The price Khatauli, Kolhapur and Vijayawada market stood steady at Rs. 3340/q, Rs.3250/q and Rs.3700/q, respectively. The prices stood weak in Delhi at Rs. 3260/q, down by Rs.10/q.

Weather Forecast:

Heavy to very heavy rainfall very likely at isolated places over Uttarakhand, Uttar Pradesh, Sub-Himalayan West Bengal & Sikkim, Arunachal Pradesh and Assam & Meghalaya and heavy rainfall at isolated places over Himachal Pradesh, Haryana, Chandigarh & Delhi, northwest Madhya Pradesh, Bihar, Nagaland, Manipur, Mizoram & Tripura, Konkan & Goa, Coastal Andhra Pradesh & Yanam, Telangana, Coastal Karnataka and Kerala & Mahe.

Previous Updates:

The decision in hike in minimum selling price of sugar is yet pending. A meeting held between the Group of Ministers yesterday had recommended a hike of Rs.2/kg to Rs.33/kg to ensure mills clear the pending arrears of Rs.20,000 crore in 2019-20 at the earliest. The government will also consider other ways if an increase in MSP of sugar does not help in reducing cane arrears to farmers.

According to Thai Sugar Millers Corporation, Thailand exported 2.36 lakh tonnes of refined sugar and 3.21 lakh tonnes of raw sugar in May'20. Total of 11.05 lakh tonnes of refined sugar (13.34% y/y) has been exported at an average FOB \$366.38/tonne and 22.32 lakh tonnes (2.5% y/y) of raw sugar at an average FOB \$300.57/tonne much lower sugar has been exported so far till May'20 from January'20. The exports were improved compared to the previous month as the demand was hit due to coronavirus.

In UP, so far 13.39 million litre of sanitizer has been produced till 8th July'20, out of which 67.42 lakh litre of sanitizer has been supplied within the state and 47.15 lakh litre has been supplied to other states of the country. Quantity supplied within the state; 67.42 lakh litre includes the quantity of 2.47 lakh litre supplied to various government organizations and government hospitals through the District Magistrates.

According to the sources, the official announcement can be released in the coming week regarding hike in minimum selling price for sugar and sugarcane FRP. There is possibility of an increase of Rs.200/q in minimum selling price of sugar to Rs.3300/q and a rise of Rs.100/q in sugarcane FRP to Rs.285/q of cane.

India shipped out around 45 LT of sugar till June end, out of the total 50 LT contracts booked including 24 lakh tonnes raw sugar and around 20 lakh tonnes of refined or white sugar. The top 5 buyers were Iran, Somalia, Indonesia, Sri Lanka and Afghanistan.

Brazil sugar exports reached 3 million tonnes in June. This is around 14% higher than May and 97% above the same month in 2019. Sugar production continued to increase, reaching a near-record 36% increase early in June. The Brazilian ethanol market remained weak, thus, the global sugar market could be flooded, which would surge the prices.

India has been waiting for the export deals with China but are now in worry due to the border tensions between China and India. According to All India Sugar Trade Association, India can export 3 lakh tonnes of

sugar to China in the next two to three months. So far, India has exported 1 LT of sugar to China. Now, the Indian sugar exporters are afraid to make deals and will wait for the situation to improve.

UP sets a record production of 50 LT of jaggery in 2019-20 against 45 LT in the previous year, up by around 11%. The western UP is the hub of jaggery production and around 30LT is expected to have produced this year. Everyday around 400-500 bags (40kg/bag) are arriving daily. Although few jaggery units got closed during lockdown that resulted in the diversion of cane to sugar producing units, thus, sugar production increased by 3-4LT. As the state has produced record production of sugarcane this year due to which there has been an increase by 7-8% in sugar production and jaggery production as well.

OMC's have been supplied with 92.5 crore litres of ethanol till 22nd June since December'19 by Indian sugar mills. A total contract of 170 crore litres was finalized between the sugar mills and OMCs for 2019-20 season. The states like UP, Haryana, Punjab, Uttarakhand, Bihar and Karnataka is much higher at 8.5% to 9.8% with petrol. Whereas, an average all India blending of 5.09% with petrol was achieved. India is expecting an increase in ethanol production capacity from the current 260-300 crore litres to 375-400 crore litres and achieve 7.5-8 per cent ethanol blend levels with petrol in 2020-21 season.

The Maharashtra government has lifted the ban imposed on the sale and transport of molasses within the state and export outside the state. The ban was imposed last year after the flood situation in west Maharashtra and drought in other parts of the state were prominent. As on 9th June, the molasses stock totaled to 13.9 LT including the mill's inventory of 8.47 LT while breweries have around 5.43 LT in 2019-20 in the state. The molasses recovery is expected to be 4.75 percent of cane crushed during sugar production. Therefore, in the coming season Maharashtra is likely to crush 900-920 LT of cane producing around 40 to 42 LT of molasses.

The monthly quota has been released for Jul'20 for 21 LT of sugar sales limit to each 546 mills which is 2.5 LT higher compared to the previous month's sales quota. The July'20 sales quota is 50,000 MT higher compared to the previous year quota during the same time. The supply and demand chain has improved during the phased unlocking across the nation. No extension has been announced for the allocated quota of June 2020.

NCDEX Sugar (M grade) Future Quotes (At 05:00 p.m. as on 20-12-2018)

| Contract | +/- | Open | High | Low | Close | Volume | O.I |
|-------------|------------|------|------|------|-------|--------|-----|
| Cont. (DEC) | - | 2989 | 2989 | 2989 | 2989 | - | - |
| Spread | nt Dec(C1) | | | | | | |
| Spot | | | | | | | |
| | | | | | | | |

Note: There is no trade volume in near month future contract. Market participants are advised to wait until trade in volume start.

| Commodity | USD (\$/Tonne) | Change |
|--------------------------|----------------|--------|
| Thai Sugar FOB 45 Icumsa | 348.5 | -2.3 |



International Sugar Futures ICE (US Cent/lb)

| Daily Futures Price Listing Thu July 16, 2020 | | | | | | | | | |
|---|--------|-------|-------|-------|-------|--------|--------------|----------|--------|
| Most Recent Information | | | | | | | Previous Day | | |
| Mth | Date | Open | High | Low | Close | Change | Volume | Open Int | Change |
| Sugar #11(ICE) | | | | | | | | | |
| 20-Oct | 200716 | 11.89 | 11.97 | 11.68 | 11.79 | -0.03 | 64,725 | 392,771 | -2,100 |
| 21-Mar | 200716 | 12.59 | 12.64 | 12.37 | 12.48 | -0.02 | 27,822 | 220,098 | 2,225 |
| 21-May | 200716 | 12.3 | 12.38 | 12.16 | 12.25 | unch | 14,663 | 90,754 | -1612 |
| 21-Jul | 200716 | 12.06 | 12.12 | 11.93 | 12.03 | 0.02 | 7,379 | 76,070 | 859 |
| 21-Oct | 200716 | 12.05 | 12.08 | 11.92 | 12.01 | 0.03 | 2,128 | 65,985 | -218 |
| 22-Mar | 200716 | 12.32 | 12.32 | 12.23 | 12.31 | 0.04 | 1,133 | 37,652 | -22 |
| 22-May | 200716 | 12.04 | 12.09 | 12 | 12.07 | 0.04 | 999 | 19,233 | 186 |
| 22-Jul | 200716 | 11.87 | 11.93 | 11.84 | 11.9 | 0.05 | 654 | 17,104 | 167 |
| Total Volume and Open Interest | | | | | | | 119,934 | 938,702 | -281 |

International Sugar Futures LIFFE (US \$/MT)

| Daily Futures Price Listing Thu July 16, 2020 | | | | | | | | | |
|---|--------|-------|-------|-------|-------|--------|--------------|----------|--------|
| Most Recent Information | | | | | | | Previous Day | | |
| Mth | Date | Open | High | Low | Close | Change | Volume | Open Int | Change |
| London Sugar(LCE) | | | | | | | | | |
| 20-Aug | 200716 | 350.9 | 352.9 | 348.5 | 348.5 | -2.3 | 6,125 | 12,447 | -1,221 |
| 20-Oct | 200716 | 352.9 | 352.9 | 346.8 | 348.5 | -1.9 | 8,891 | 47,017 | 1,907 |
| 20-Dec | 200716 | 350.3 | 350.3 | 345.6 | 347 | -1.7 | 2,007 | 21,172 | -182 |
| 21-Mar | 200716 | 349.5 | 350.6 | 346.3 | 348.1 | -0.2 | 806 | 15,289 | 241 |
| 21-May | 200716 | 352 | 353.6 | 350.1 | 352.1 | 0.4 | 174 | 7,549 | 49 |
| Total Volume and Open Interest | | | | | | | 18,087 | 111,030 | 840 |

DOMESTIC PRICES AND ARRIVAL

| Sugar Prices at Key Spot Markets: | | | | | |
|---|------------|------------------------|-----------------|-----------|--------|
| Commodity | Centre | Variety | Prices (Rs/Qtl) | | Change |
| Sugar | | | 17-Jul-20 | 16-Jul-20 | |
| Delhi | Delhi | M-Grade | 3260 | 3270 | -10 |
| | Delhi | S-Grade | 3240 | 3250 | -10 |
| Uttar Pradesh | Khatauli | M-Grade | 3340 | 3340 | Unch |
| | Ramala | M-Grade | NA | NA | - |
| | Dhampur | M-Grade Ex-Mill | 3320 | 3320 | Unch |
| | Dhampur | S-Grade Ex-Mill | 3300 | 3300 | Unch |
| | Dhampur | L-Grade Ex-Mill | 3370 | 3370 | Unch |
| Maharashtra | Mumbai | M-Grade | 3570 | 3570 | Unch |
| | Mumbai | S-Grade | 3370 | 3400 | -30 |
| | Nagpur | M-Grade | 3375 | 3375 | Unch |
| | Nagpur | S-Grade | 3275 | 3275 | Unch |
| | Kolhapur | M-Grade | 3250 | 3250 | Unch |
| | Kolhapur | S-Grade | 3150 | 3150 | Unch |
| Assam | Guhawati | S-Grade | 3461 | 3461 | Unch |
| Meghalaya | Shillong | S-Grade | 3470 | 3470 | Unch |
| Andhra Pradesh | Vijayawada | M-Grade | 3700 | 3700 | Unch |
| | Vijayawada | S-Grade | 3700 | 3700 | Unch |
| West Bengal | Kolkata | M-Grade | 3690 | 3690 | Unch |
| Tamil Nadu | Chennai | S-Grade | 3750 | 3750 | Unch |
| | Dindigul | M-Grade | 3840 | 3840 | Unch |
| | Coimbatore | M-Grade | 3620 | 3620 | Unch |
| Chattisgarh | Ambikapur | M-Grade (Without Duty) | 3600 | 3600 | Unch |
| Sugar Prices are in INR/Quintal. (1 Quintal=100 kg) | | | | | |

| Jaggery (Gur) Prices at Key Spot Markets: | | | | | |
|---|---------------|--------------------------|-----------------|-----------|--------|
| Commodity | Centre | Variety | Prices (Rs/Qtl) | | Change |
| Jaggery(Gur) | | | 17-Jul-20 | 16-Jul-20 | |
| Uttar Pradesh | Muzaffarnagar | Chaku Fresh | NR | NR | - |
| | Muzaffarnagar | Chaku(Arrival)(40kg Bag) | NA | NA | - |
| | Muzaffarnagar | Khurpa (Fresh) | NA | NA | - |
| | Muzaffarnagar | Laddoo (Fresh) | NA | NA | - |
| | Muzaffarnagar | Rascut (Fresh) | NA | NA | - |

| | | | | | |
|----------------|--------------------|-------------------|------|------|------|
| | Hapur | Chaurasa | NA | NA | - |
| | Hapur | Balti | NA | NA | - |
| Andhra Pradesh | Chittur | Gold | NR | NR | - |
| | | White | NR | NR | - |
| | | Black | NR | NR | - |
| Maharashtra | Latur | Lal Variety | NR | NR | - |
| Karnataka | Bangalore | Mudde (Average) | 4250 | 4250 | Unch |
| | Belgaum | Mudde (Average) | NA | NA | - |
| | Belthangadi | Yellow (Average) | NA | NA | - |
| | Bijapur/Vijayapura | Achhu | NA | NA | - |
| | Gulbarga/Kalaburgi | Other (Average) | NA | NA | - |
| | Mahalingapura | Penti (Average) | NA | 3516 | - |
| | Mandya | Achhu (Medium) | 3750 | 3700 | 50 |
| | Mandya | Kurikatu (Medium) | 3500 | 3500 | Unch |
| | Mandya | Other (Medium) | 3300 | 3300 | Unch |
| | Mandya | Yellow (Medium) | 3600 | 3650 | -50 |
| | Shimoga/Shivamogga | Achhu (Average) | 3750 | 3750 | Unch |

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